

Appendix B

Department of Education

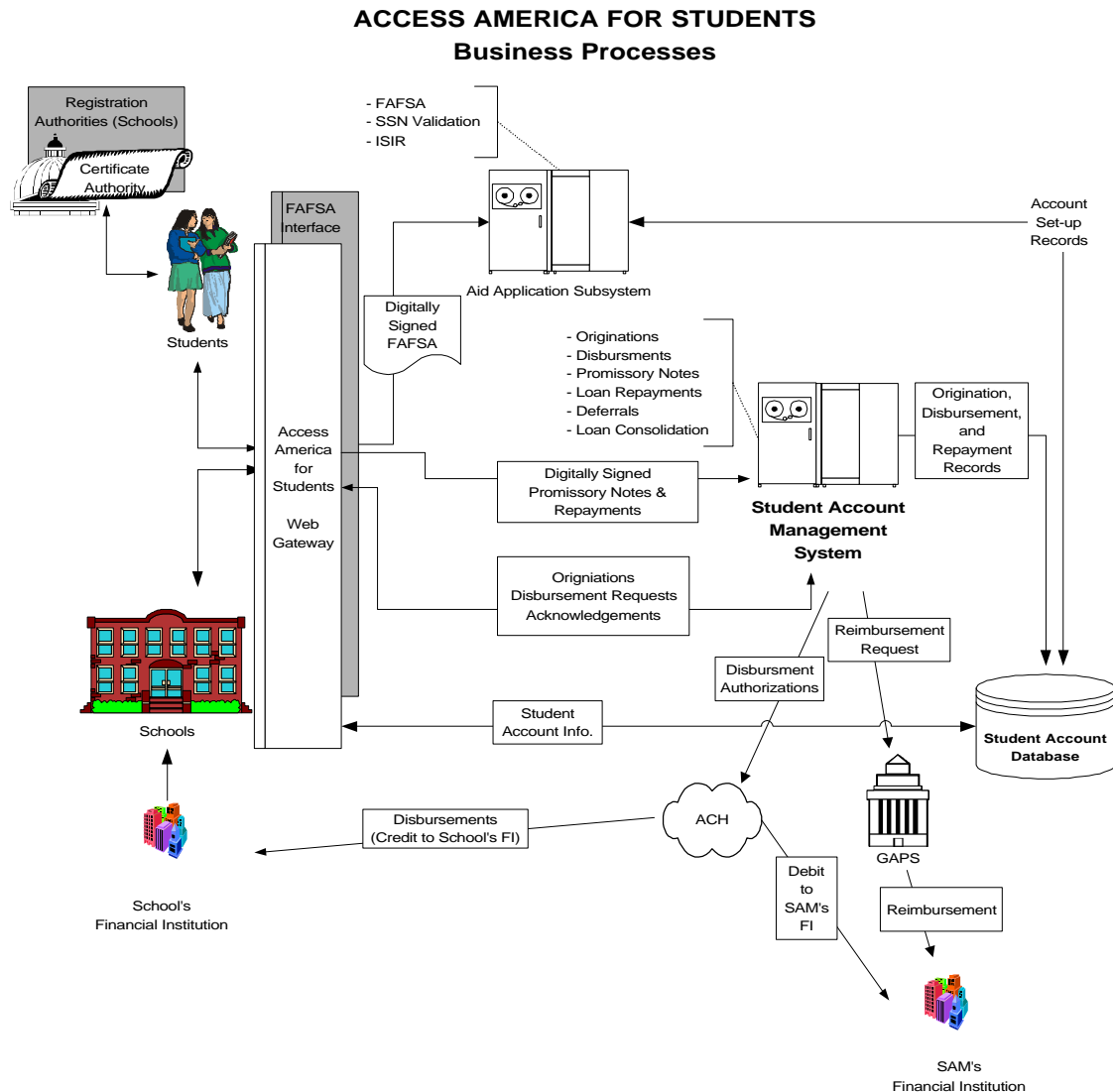
Access America for Students

1. THE ACCESS AMERICA FOR STUDENTS SYSTEM COMPONENTS

Access America For Students is an important first step in implementing the Department of Education's Student Financial Assistance Modernization Program. The core business processes associated with the Access America for Students Program include:

- Pell Grant and Direct Loan aid origination;
- Pell Grant and Direct Loan funds disbursement; and
- Direct Loan repayment and servicing.

As envisioned, these core business processes will be integrated through the Student Account Management System operated and maintained by the SAM. The following graphic provides an overview of the envisioned Access American for Students system.



The Access America for Student System is composed of the following components:

1.1.1 Access America For Students Web Interface

This is the web-based interface to Student Account Information. The Department of Education will participate with other Federal Agencies as a sponsor for the Access America web site. The Access America for Students web interface will provide secure access to the student account record and will serve as a gateway to general information regarding postsecondary education and to other federal Access America programs.

1.1.2 Student Account Management System

The Student Account Management System is the commercial transaction processing system operated by the SAM. This system holds the Student Account Database and processes and posts Pell Grant and Direct Loan student aid transactions. Using account set-up records generated by the Aid Application Subsystem the Student Account Management Subsystem establishes student accounts. The system processes Pell and/or Direct Loan aid originations, disbursements, promissory notes, loan repayments, deferrals, and loan consolidation. Through this processing, it updates the Student Account Database with origination, disbursement, and repayment records. The Student Account Management System also generates aid disbursements to schools through the Automated Clearinghouse (ACH), and requests reimbursements from the Department through Fedwire funds transfer.

The envisioned Student Account Management System performs the following functions:

1.1.2.1 Aid Origination and Disbursement

The Student Account Management System will manage the Pell and Direct Loan aid origination activity and will process the student level origination records and disbursement information supplied by schools. It will authorize the transfers for schools, state agencies and fund sources and support implementation of “just-in-time” disbursement of funds to schools to improve cash management and reduce reconciliation requirements and excess cash residing at schools.

1.1.2.2 Loan Repayment

The Student Account Management System will also manage the repayment process for Federal Direct student loans. In the repayment initiation phase, this system will provide repayment counseling to participants, and will allow them to make informed decisions regarding their repayment options selection. Over the course of repayment the system will enable the billing of borrowers, maintain loan repayment information, process deferments, forbearances, cancellations and loan transfers, as well as changes to the participants’ repayment options and terms, for Direct Loans. The Student Account Management System will process loan payment information and update account information accordingly.

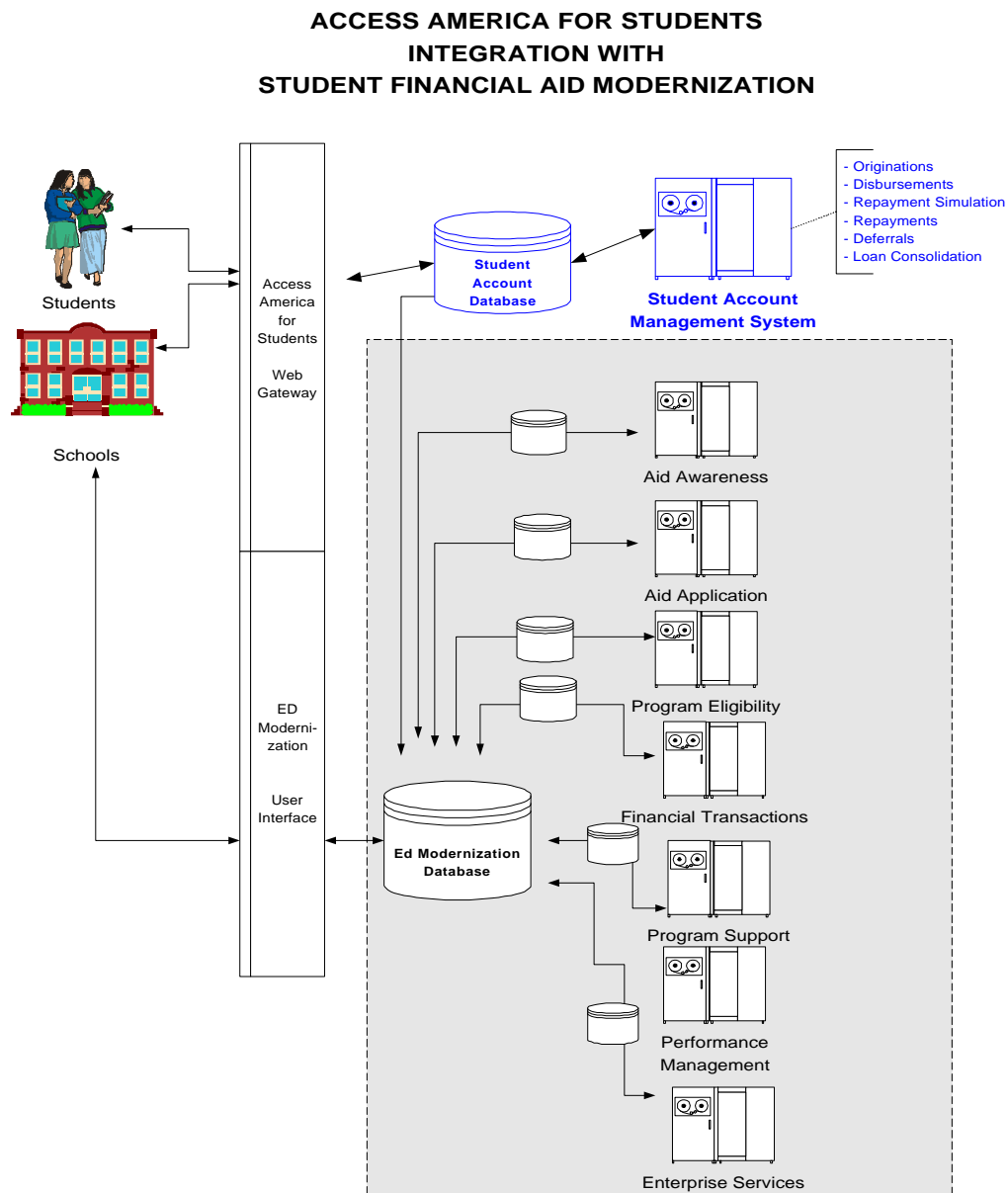
1.1.3 Title IV Student Account Database

This is a database of student account information including origination records, disbursements, loan repayments/consolidations, and deferrals. It includes all the Pell and Direct Loan transactional data applicable to the student’s account throughout the financial aid life cycle. The Student Account Database feeds the Student Financial Assistance Modernization Database, the enterprise database specified by the Student Financial Assistance Modernization Program.

2. Other Student Financial Assistance Modernization System Components

The Access America for Students System Components described above represents an important first step in implementing the Department of Education's Student Financial Assistance Modernization Program. However, it is important to understand that much of the Department's Student Financial Assistance Modernization functionality will not be addressed by the Access America for Students Program. Access America for Students intends to serve as a test bed for key components of the SFA modernization program. Going back to Raines Rules, it is not the objective or the mission of the Access America for Students program to implement all components of SFA Modernization.¹

The following figure graphically shows the integration of the Access America for Students Program in



¹ OSFA Modernization Blueprint: Making the Vision a Reality, Draft Executive Summary, April 30, 1999.

relation to the SFA Modernization Program. The Access America for Students business processes (shown outside the shaded box) that will be tested during the Pilot Program include aid origination and disbursement and loan repayment. The business processes outside the scope of the Access America for Students program are represented within the shaded box. The Office of Student Financial Assistance (OFSA) is developing a Modernization Blueprint to guide the modernization effort. Over time, the Blueprint will evolve and during that evolution, the identified business processes may be modified. Therefore, this graphic represents the best information we have today regarding how Access America for Students will fit within the overall modernization effort.